



May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Zeon Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 4205
 URL: <https://www.zeon.co.jp/>
 Representative: Tetsuya Toyoshima, President and CEO
 Inquiries: Kiyofumi Aoyagi, Division Manager of Corporate Administration
 Telephone: +81-3-3216-2747
 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 25, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|-------|------------------|------|-----------------|------|-----------------------------------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended | | | | | | | | |
| March 31, 2026 | 411,966 | (2.1) | 36,377 | 24.1 | 40,038 | 21.1 | 36,226 | 38.3 |
| March 31, 2025 | 420,647 | 10.0 | 29,321 | 43.0 | 33,051 | 22.8 | 26,199 | (15.8) |

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥43,476 million [66.3%]
 For the fiscal year ended March 31, 2025: ¥26,142 million [(25.7)%]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|------------------------------------------|----------------------------------------|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2026 | 186.67 | 186.58 | 9.9 | 7.4 | 8.8 |
| March 31, 2025 | 127.43 | 127.37 | 7.3 | 6.2 | 7.0 |

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥44 million
 For the fiscal year ended March 31, 2025: ¥74 million

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2026 | 548,246 | 378,252 | 68.9 | 1,972.74 |
| March 31, 2025 | 533,786 | 357,992 | 66.9 | 1,810.79 |

Reference: Equity
 As of March 31, 2026: ¥377,476 million
 As of March 31, 2025: ¥357,252 million

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2026 | 76,436 | (42,439) | (34,920) | 28,437 |
| March 31, 2025 | 20,781 | (22,026) | (17,123) | 26,836 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|----------------------------------------------|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|-------------------------------------------------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2025 | - | 35.00 | - | 35.00 | 70.00 | 14,309 | 54.9 | 4.0 |
| Fiscal year ended March 31, 2026 | - | 36.00 | - | 40.00 | 76.00 | 14,725 | 40.7 | 4.0 |
| Fiscal year ending March 31, 2027 (Forecast) | - | 39.00 | - | 40.00 | 79.00 | | 42.6 | |

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------------------------------|-----------------|-------|------------------|-----|-----------------|-------|-----------------------------------------|-------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2027 | 405,000 | (1.7) | 38,000 | 4.5 | 37,000 | (7.6) | 36,000 | (0.6) | 185.51 |

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (ZEON KOREA Co.,LTD.)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: Yes
- (iii) Changes in accounting estimates: Yes
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|----------------------|--------------------|
| As of March 31, 2026 | 209,251,256 shares |
| As of March 31, 2025 | 215,251,856 shares |

- (ii) Number of treasury shares at the end of the period

| | |
|----------------------|-------------------|
| As of March 31, 2026 | 17,905,749 shares |
| As of March 31, 2025 | 17,961,486 shares |

- (iii) Average number of shares outstanding during the period

| | |
|----------------------------------|--------------------|
| Fiscal year ended March 31, 2026 | 194,061,372 shares |
| Fiscal year ended March 31, 2025 | 205,594,914 shares |

* The Company has introduced a "Stock Benefit Trust (BBT-RS)" and includes the Company's shares held by the trust in the treasury stock that is deducted for the calculation of the number of treasury shares at the end of the fiscal year and the average number of shares during the period.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|-------|------------------|------|-----------------|------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2026 | 285,962 | (1.6) | 22,988 | 31.7 | 29,092 | 23.8 | 27,292 | 37.0 |
| March 31, 2025 | 290,545 | 15.2 | 17,462 | 60.3 | 23,491 | 10.9 | 19,927 | (34.3) |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| March 31, 2026 | 140.64 | 140.57 |
| March 31, 2025 | 96.92 | 96.88 |

(2) Non-consolidated financial position

| As of | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| March 31, 2026 | 443,636 | 254,740 | 57.4 | 1,330.85 |
| March 31, 2025 | 428,670 | 247,672 | 57.8 | 1,254.93 |

Reference: Equity

As of March 31, 2026: ¥254,653 million

As of March 31, 2025: ¥247,585 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Consolidated balance sheet

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|-----------------------------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 27,366 | 28,678 |
| Notes and accounts receivable - trade | 81,570 | 63,776 |
| Electronically recorded monetary claims - operating | 5,667 | 4,611 |
| Merchandise and finished goods | 109,037 | 93,361 |
| Work in process | 8,270 | 7,562 |
| Raw materials and supplies | 24,284 | 23,325 |
| Accounts receivable - other | 34,111 | 27,715 |
| Other | 7,940 | 8,633 |
| Allowance for doubtful accounts | (111) | (116) |
| Total current assets | 298,134 | 257,545 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 45,382 | 49,246 |
| Machinery, equipment and vehicles, net | 40,706 | 50,820 |
| Land | 17,937 | 18,069 |
| Construction in progress | 34,361 | 70,354 |
| Other, net | 5,316 | 5,627 |
| Total property, plant and equipment | 143,703 | 194,116 |
| Intangible assets | | |
| Other | 5,985 | 6,337 |
| Total intangible assets | 5,985 | 6,337 |
| Investments and other assets | | |
| Investment securities | 71,191 | 73,712 |
| Deferred tax assets | 7,564 | 6,486 |
| Other | 9,371 | 13,123 |
| Allowance for doubtful accounts | (2,163) | (3,073) |
| Total investments and other assets | 85,964 | 90,248 |
| Total non-current assets | 235,652 | 290,701 |
| Total assets | 533,786 | 548,246 |

| | As of March 31, 2025 | As of March 31, 2026 |
|-------------------------------------------------------|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 68,617 | 58,734 |
| Electronically recorded obligations - operating | 2,892 | 2,550 |
| Short-term borrowings | 8,960 | 8,960 |
| Commercial papers | 17,000 | 7,000 |
| Accounts payable - other | 21,764 | 29,430 |
| Income taxes payable | 2,979 | 10,005 |
| Provision for bonuses | 3,067 | 2,783 |
| Provision for repairs | 7,709 | 4,728 |
| Other provisions | 12 | 25 |
| Other | 19,022 | 20,036 |
| Total current liabilities | 152,022 | 144,250 |
| Non-current liabilities | | |
| Long-term income taxes payable | - | 40 |
| Deferred tax liabilities | 1,142 | 1,421 |
| Retirement benefit liability | 14,195 | 12,983 |
| Provision for repairs | 1,181 | 3,044 |
| Other provisions | 435 | 531 |
| Other | 6,817 | 7,725 |
| Total non-current liabilities | 23,771 | 25,744 |
| Total liabilities | 175,793 | 169,994 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 24,211 | 24,211 |
| Capital surplus | 19,323 | 19,323 |
| Retained earnings | 287,773 | 302,770 |
| Treasury shares | (21,910) | (23,853) |
| Total shareholders' equity | 309,398 | 322,452 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 21,815 | 26,120 |
| Deferred gains or losses on hedges | (4) | 4 |
| Foreign currency translation adjustment | 25,819 | 28,131 |
| Remeasurements of defined benefit plans | 225 | 769 |
| Total accumulated other comprehensive income | 47,854 | 55,023 |
| Share acquisition rights | 88 | 88 |
| Non-controlling interests | 652 | 689 |
| Total net assets | 357,992 | 378,252 |
| Total liabilities and net assets | 533,786 | 548,246 |

Consolidated statement of income

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Net sales | 420,647 | 411,966 |
| Cost of sales | 302,414 | 290,764 |
| Gross profit | 118,233 | 121,202 |
| Selling, general and administrative expenses | 88,913 | 84,826 |
| Operating profit | 29,321 | 36,377 |
| Non-operating income | | |
| Interest income | 312 | 228 |
| Dividend income | 2,759 | 2,919 |
| Foreign exchange gains | 1,138 | 2,010 |
| Share of profit of entities accounted for using equity method | 74 | 44 |
| Miscellaneous income | 1,382 | 819 |
| Total non-operating income | 5,664 | 6,021 |
| Non-operating expenses | | |
| Interest expenses | 157 | 177 |
| Expenses of inactive non-current assets | 341 | 740 |
| Loss on investments in investment partnerships | 219 | - |
| Provision of allowance for doubtful accounts | 580 | 859 |
| Miscellaneous losses | 637 | 584 |
| Total non-operating expenses | 1,934 | 2,359 |
| Ordinary profit | 33,051 | 40,038 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 37 | 706 |
| Gain on sale of investment securities | 8,294 | 17,310 |
| Other | 393 | 14 |
| Total extraordinary income | 8,724 | 18,030 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 840 | 1,095 |
| Impairment losses | 5,808 | 4,796 |
| Loss on valuation of investment securities | 966 | 2,288 |
| Other | 1,247 | 582 |
| Total extraordinary losses | 8,861 | 8,762 |
| Profit before income taxes | 32,915 | 49,306 |
| Income taxes - current | 8,953 | 13,922 |
| Income taxes - deferred | (2,393) | (931) |
| Total income taxes | 6,559 | 12,991 |
| Profit | 26,355 | 36,315 |
| Profit attributable to non-controlling interests | 156 | 90 |
| Profit attributable to owners of parent | 26,199 | 36,226 |

Consolidated statement of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Profit | 26,355 | 36,315 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (8,687) | 4,305 |
| Deferred gains or losses on hedges | (11) | 8 |
| Foreign currency translation adjustment | 7,911 | 2,095 |
| Remeasurements of defined benefit plans, net of tax | 219 | 544 |
| Share of other comprehensive income of entities accounted for using equity method | 355 | 209 |
| Total other comprehensive income | (214) | 7,160 |
| Comprehensive income | 26,142 | 43,476 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 25,951 | 43,368 |
| Comprehensive income attributable to non-controlling interests | 190 | 107 |

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|-------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 24,211 | 19,582 | 289,930 | (19,435) | 314,288 |
| Changes during period | | | | | |
| Dividends of surplus | | | (12,674) | | (12,674) |
| Profit attributable to owners of parent | | | 26,199 | | 26,199 |
| Purchase of treasury shares | | | | (20,000) | (20,000) |
| Disposal of treasury shares | | (5) | | 292 | 287 |
| Cancellation of treasury shares | | (17,233) | | 17,233 | - |
| Transfer from retained earnings to capital surplus | | 16,777 | (16,777) | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 203 | | | 203 |
| Change in scope of consolidation | | | 1,095 | | 1,095 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (258) | (2,157) | (2,475) | (4,890) |
| Balance at end of period | 24,211 | 19,323 | 287,773 | (21,910) | 309,398 |

| | Accumulated other comprehensive income | | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 30,502 | 7 | 17,576 | 6 | 48,092 | 88 | 1,262 | 363,729 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (12,674) |
| Profit attributable to owners of parent | | | | | | | | 26,199 |
| Purchase of treasury shares | | | | | | | | (20,000) |
| Disposal of treasury shares | | | | | | | | 287 |
| Cancellation of treasury shares | | | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | | 203 |
| Change in scope of consolidation | | | | | | | | 1,095 |
| Net changes in items other than shareholders' equity | (8,687) | (11) | 8,242 | 219 | (237) | - | (609) | (847) |
| Total changes during period | (8,687) | (11) | 8,242 | 219 | (237) | - | (609) | (5,737) |
| Balance at end of period | 21,815 | (4) | 25,819 | 225 | 47,854 | 88 | 652 | 357,992 |

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Millions of yen)

| | Shareholders' equity | | | | |
|-------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 24,211 | 19,323 | 287,773 | (21,910) | 309,398 |
| Changes during period | | | | | |
| Dividends of surplus | | | (13,972) | | (13,972) |
| Profit attributable to owners of parent | | | 36,226 | | 36,226 |
| Purchase of treasury shares | | | | (10,001) | (10,001) |
| Disposal of treasury shares | | | | 76 | 76 |
| Cancellation of treasury shares | | (7,982) | | 7,982 | - |
| Transfer from retained earnings to capital surplus | | 7,982 | (7,982) | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | - |
| Change in scope of consolidation | | | 725 | | 725 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 14,997 | (1,943) | 13,054 |
| Balance at end of period | 24,211 | 19,323 | 302,770 | (23,853) | 322,452 |

| | Accumulated other comprehensive income | | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 21,815 | (4) | 25,819 | 225 | 47,854 | 88 | 652 | 357,992 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (13,972) |
| Profit attributable to owners of parent | | | | | | | | 36,226 |
| Purchase of treasury shares | | | | | | | | (10,001) |
| Disposal of treasury shares | | | | | | | | 76 |
| Cancellation of treasury shares | | | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | | - |
| Change in scope of consolidation | | | | | | | | 725 |
| Net changes in items other than shareholders' equity | 4,305 | 8 | 2,312 | 544 | 7,169 | - | 37 | 7,206 |
| Total changes during period | 4,305 | 8 | 2,312 | 544 | 7,169 | - | 37 | 20,260 |
| Balance at end of period | 26,120 | 4 | 28,131 | 769 | 55,023 | 88 | 689 | 378,252 |

Consolidated statement of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|--------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 32,915 | 49,306 |
| Depreciation | 19,436 | 17,230 |
| Impairment losses | 5,808 | 4,796 |
| Loss on refund of subsidy | 1,053 | - |
| Increase (decrease) in allowance for doubtful accounts | 574 | 908 |
| Increase (decrease) in provision for repairs | 2,460 | (1,118) |
| Interest and dividend income | (3,071) | (3,148) |
| Interest expenses | 157 | 177 |
| Subsidy income | (456) | (106) |
| Foreign exchange losses (gains) | 402 | (1,102) |
| Loss (gain) on sale of non-current assets | (23) | (694) |
| Loss (gain) on disposal of non-current assets | 840 | 1,095 |
| Loss (gain) on sale of investment securities | (8,294) | (17,310) |
| Loss (gain) on valuation of investment securities | 966 | 2,288 |
| Decrease (increase) in trade receivables | 2,996 | 19,639 |
| Decrease (increase) in inventories | (13,818) | 18,153 |
| Increase (decrease) in trade payables | (18,496) | (11,004) |
| Other, net | 7,678 | 1,951 |
| Subtotal | 31,125 | 81,062 |
| Interest and dividends received | 3,100 | 3,387 |
| Subsidies received | 536 | 126 |
| Interest paid | (194) | (174) |
| Refund of subsidy received | - | (1,102) |
| Income taxes paid | (13,785) | (6,863) |
| Net cash provided by (used in) operating activities | 20,781 | 76,436 |

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|-------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (29,100) | (58,374) |
| Purchase of intangible assets | (1,606) | (2,499) |
| Proceeds from sale of property, plant and equipment | 378 | 895 |
| Payments for retirement of property, plant and equipment | (298) | (1,105) |
| Purchase of investment securities | (1,877) | (2,623) |
| Proceeds from sale of investment securities | 11,900 | 21,712 |
| Loan advances | (1,086) | (1,100) |
| Proceeds from collection of loans receivable | 566 | 352 |
| Net decrease (increase) in time deposits | (237) | 499 |
| Purchase of long-term prepaid expenses | (528) | (255) |
| Other, net | (137) | 59 |
| Net cash provided by (used in) investing activities | (22,026) | (42,439) |
| Cash flows from financing activities | | |
| Increase (decrease) in commercial papers | 17,000 | (10,000) |
| Dividends paid | (12,595) | (13,887) |
| Dividends paid to non-controlling interests | (142) | (141) |
| Repayments of finance lease liabilities | (1,074) | (885) |
| Purchase of treasury shares | (14,433) | (10,007) |
| Payments of money held in trust for purchase of treasury stock | (10,034) | - |
| Proceeds from withdrawal of trust account for acquisition of treasury stock | 4,451 | - |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (524) | - |
| Other, net | 228 | - |
| Net cash provided by (used in) financing activities | (17,123) | (34,920) |
| Effect of exchange rate change on cash and cash equivalents | 1,650 | 1,388 |
| Net increase (decrease) in cash and cash equivalents | (16,717) | 464 |
| Cash and cash equivalents at beginning of period | 42,533 | 26,836 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 1,021 | 1,137 |
| Cash and cash equivalents at end of period | 26,836 | 28,437 |

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reportable segments are those for which financial information that is separate from the Company as a whole is available. The Board of Directors reviews these segments regularly in order to determine allocation of management resources and evaluate performance.

The Company has business units for each product at its headquarters, and each business unit comes up with comprehensive domestic and international strategies for its products based on which it engages in business.

As such, the Company is comprised of segments based on business units for each product, the two reportable segments being the Elastomer Business and the Specialty Materials Business.

The Elastomer Business manufactures and sells synthetic rubbers, synthetic latexes, chemicals, and more. The Specialty Materials Business manufactures and sells specialty plastics, specialty materials, information materials, chemicals, medical equipment, and more.

2. Method of calculating the amount of Net Sales, profit or loss, assets and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit for reporting segments is based on Operating Profit.

Internal revenues and transfers between segments are based on prevailing market prices.

(Change in Depreciation Method of Property, Plant and Equipment)

The Company used to use the declining balance method for depreciation of property, plant and equipment (excluding leased assets) (however, the straight line method for buildings and structures acquired on or after April 1, 2016, but has changed to the straight-line method from the current fiscal year.

As a result of these changes, segment profit for the current fiscal year increased by 1,083 million yen in Elastomer Business, 1,206 million yen in Specialty Materials Business, and 4 million yen in Others.

3. Information on Net Sales, Profit or Loss, Amount of Assets and Other Items, and Breakdown Information on Revenue for Each Reporting Segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Reportable segments | | | Others (Note) 1 | Total | Adjustment Amount (Note) 2 | Amount recorded in consolidated financial statements (Note)3 |
|-----------------------------------------------------------------|---------------------|--------------------------------|---------|--------------------|---------|-------------------------------------|--------------------------------------------------------------------------|
| | Elastomer Business | Specialty Material Business | Total | | | | |
| Sales | | | | | | | |
| Revenue generated from customer contracts | 232,469 | 121,551 | 354,020 | 66,627 | 420,647 | - | 420,647 |
| Revenues from external customers | 232,469 | 121,551 | 354,020 | 66,627 | 420,647 | - | 420,647 |
| Transactions with other segments | 4,090 | 66 | 4,156 | 988 | 5,145 | (5,145) | - |
| Total | 236,560 | 121,617 | 358,177 | 67,615 | 425,792 | (5,145) | 420,647 |
| Segment Profit | 10,931 | 17,560 | 28,491 | 3,865 | 32,356 | (3,035) | 29,321 |
| Segment Assets | 237,219 | 148,757 | 385,976 | 46,633 | 432,609 | 101,176 | 533,786 |
| Other items | | | | | | | |
| Depreciation | 7,210 | 9,733 | 16,942 | 224 | 17,166 | 2,270 | 19,436 |
| Investments in entities accounted for using equity method | 3,184 | - | 3,184 | - | 3,184 | - | 3,184 |
| Increase in property, plant and equipment and intangible assets | 15,964 | 12,214 | 28,178 | 474 | 28,652 | 6,868 | 35,521 |

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments, and includes sales of RIM formulation solutions, paints, etc.

2. The adjustment amount is as follows:

(1) The adjustment for segment profit of (3,035) million yen consists of (259) million yen in inter-segment transactions and (2,776) million yen in company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are selling, general and administrative expenses that are primarily not attributable to the reporting segment.

(2) Adjustments to segment assets were 103,238 million yen for company-wide assets and (2,062) million yen for inter-segment elimination.

(3) Adjustments for other items are for company-wide assets that have not been allocated to each reporting segment.

3. Segment profit is adjusted to operating profit in the consolidated financial statements.

4. Since the amount of revenue generated from other sources is not significant, it is not displayed separately from revenue generated from contracts with customers.

5. Revenues generated from goods or services transferred over a period of time are not included because they are not significant.

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

| | Reportable segments | | | Others (Note) 1 | Total | Adjustment Amount (Note) 2 | Amount recorded in consolidated financial statements (Note)3 |
|-----------------------------------------------------------------|---------------------|--------------------------------|---------|--------------------|---------|----------------------------------|--------------------------------------------------------------------------|
| | Elastomer Business | Specialty Material Business | Total | | | | |
| Sales | | | | | | | |
| Revenue generated from customer contracts | 221,756 | 124,163 | 345,919 | 66,047 | 411,966 | - | 411,966 |
| Revenues from external customers | 221,756 | 124,163 | 345,919 | 66,047 | 411,966 | - | 411,966 |
| Transactions with other segments | 1,924 | 53 | 1,977 | 1,309 | 3,287 | (3,287) | - |
| Total | 223,680 | 124,217 | 347,897 | 67,356 | 415,253 | (3,287) | 411,966 |
| Segment Profit | 11,665 | 22,421 | 34,087 | 4,290 | 38,376 | (2,000) | 36,377 |
| Segment Assets | 225,880 | 167,831 | 393,711 | 45,194 | 438,905 | 109,341 | 548,246 |
| Other items | | | | | | | |
| Depreciation | 7,096 | 7,894 | 14,990 | 259 | 15,249 | 1,980 | 17,230 |
| Investments in entities accounted for using equity method | 3,413 | - | 3,413 | - | 3,413 | - | 3,413 |
| Increase in property, plant and equipment and intangible assets | 19,547 | 41,731 | 61,278 | 822 | 62,100 | 10,595 | 72,695 |

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments, and includes sales of RIM formulation solutions, paints, etc.

2. The adjustment amount is as follows:

(1) The adjustment for segment profit of (2,000) million yen consists of the elimination of inter-segment transactions of (13) million yen and the company-wide expenses of (1,987) million yen that have not been allocated to each reporting segment. Corporate expenses are selling, general and administrative expenses that are primarily not attributable to the reporting segment.

(2) Adjustments to segment assets were 111,233 million yen for company-wide assets and (1,892) million yen for inter-segment elimination.

(3) Adjustments for other items are for company-wide assets that have not been allocated to each reporting segment.

3. Segment profit is adjusted to operating profit in the consolidated financial statements.

4. Since the amount of revenue generated from other sources is not significant, it is not displayed separately from revenue generated from contracts with customers.

5. Revenues generated from goods or services transferred over a period of time are not included because they are not significant.

Related Information

The previous fiscal year (April 1, 2024 to March 31, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net Sales

(Millions of yen)

| Japan | China | United States | Europe | Asia | Other | Total |
|---------|--------|---------------|--------|--------|--------|---------|
| 153,747 | 70,009 | 42,099 | 55,235 | 87,942 | 11,616 | 420,647 |

Note: Net Sales are based on the location of the customer and are categorized by country or region.

(2) Property, plant and equipment

(Millions of yen)

| Japan | United States | Europe | Asia | Total |
|---------|---------------|--------|--------|---------|
| 110,963 | 16,594 | 100 | 16,047 | 143,703 |

3. Information per main customer

There is no mention of Net Sales to external customers because there are no counterparties that account for more than 10% of Net Sales in the consolidated statements of income.

The current fiscal year (April 1, 2025 to March 31, 2026)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net Sales

(Millions of yen)

| Japan | China | United States | Europe | Asia | Other | Total |
|---------|--------|---------------|--------|--------|--------|---------|
| 146,201 | 78,737 | 39,257 | 50,391 | 86,633 | 10,747 | 411,966 |

Note: Net Sales are based on the location of the customer and are categorized by country or region.

(2) Property, plant and equipment

(Millions of yen)

| Japan | United States | Europe | Asia | Total |
|---------|---------------|--------|--------|---------|
| 156,397 | 20,898 | 444 | 16,377 | 194,116 |

3. Information per main customer

There is no mention of Net Sales to external customers because there are no counterparties that account for more than 10% of Net Sales in the consolidated statements of income.

Information on impairment losses on fixed assets by reporting segment
The previous fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Elastomer Business | Specialty Material Business | Others | Unallocated amounts and elimination | Total |
|-------------------|--------------------|-----------------------------|--------|-------------------------------------|-------|
| Impairment losses | 4,897 | 600 | 72 | 240 | 5,808 |

Note: The amount of "company-wide elimination" is an impairment loss on company-wide assets that are not attributable to segments.

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

| | Elastomer Business | Specialty Material Business | Others | Unallocated amounts and elimination | Total |
|-------------------|--------------------|-----------------------------|--------|-------------------------------------|-------|
| Impairment losses | 2,296 | 2,340 | 29 | 130 | 4,796 |

Note: The amount of "company-wide elimination" is an impairment loss on company-wide assets that are not attributable to segments.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

Not applicable.

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

Not applicable.